

Q1

QUARTERLY FINANCIAL REPORT
FOR THE PERIOD FROM
1 JANUARY TO 31 MARCH 2020

AT A GLANCE

GROUP KEY FIGURES

in KEUR	Q1 2020	Q1 2019
Revenue	29,235	28,701
Gross profit	10,795	10,742
Gross profit margin	36.9 %	37.4 %
EBITDA ¹	1,009	3,083
EBIT ¹	-124	2,720
Consolidated net income ¹	-373	2,031
Operating cash flow after taxes	1,002	-3,779
Employees (average)	403	308
	31/03/2020	31/03/2019
Total assets	101,842	100,936
Equity	67,001	67,213
Equity ratio	65.8 %	66.6 %
Cash and cash equivalents	27,381	27,974

1 2019 amounts normalised

STEMMER IMAGING IN FIGURES



+1.8 per cent revenues

compared to corresponding period previous year



EUR 31.8 m incoming orders



EUR – 0.06 Earnings per share



65.8 per cent equity ratio



>5,000 customers



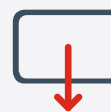
> 400 employees, of which 70 per cent with technical background

(as at 31/03/2020)



15 subsidiaries represented in >20 countries

(as at 31/03/2020)



This report, results from previous financial years and English language versions are available for download at www.stemmer-imaging.com

CONTENTS

QUARTERLY FINANCIAL REPORT Q1 2020 FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2020

Consolidated interim management report

Net assets, financial position and results of operations	2
Report on expected developments	3

Consolidated financial statements

Consolidated statement of financial position	4
Consolidated income statement	6
Consolidated statement of comprehensive income	7
Consolidated statement of cash flows	8
Consolidated statement of changes in equity	9
Notes to the quarterly financial statements	10

Additional information

Financial calendar	11
Imprint	12

Rounding may mean that individual figures given in this report do not add up exactly to the given total and that percentages are not the exact result of the figures presented.

Due to the change of the financial year to the calendar year effective 1 January 2020 the Q1 2019 figures refer to the period 1 January 2019 – 31 March 2019.

CONSOLIDATED INTERIM MANAGEMENT REPORT

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

NET ASSETS AND FINANCIAL POSITION

The total assets of STEMMER IMAGING amounted to EUR 101.8 million as at 31 March 2020, a slight increase compared to 31 December 2019 (EUR 100.9 million). Non-current assets went down to EUR 42.1 million as at 31 March 2020 (31 December 2019: EUR 42.8 million). The decrease was caused by the depreciation of property, plant and equipment and intangible assets, including the value of leases, in accordance with IFRS 16. These were only countered by a low level of investment.

Current assets, on the other hand, went up to EUR 59.7 million as at the end of the reporting period (31 December 2019: EUR 58.1 million). This was largely due to inventories increasing by EUR 1.1 million and trade receivables increasing by EUR 0.7 million.

Equity totalled EUR 67.0 million as at 31 March 2020 (31 December 2019: EUR 67.2 million). With an equity ratio of 65.8 per cent (31 December 2019: 66.6 per cent), STEMMER IMAGING is in a sound financial position.

Non-current liabilities came to EUR 12.8 million as at 31 March 2020 (31 December 2019: EUR 13.6 million). This drop was caused by EUR 0.5 million in long-term bank loan repayments and repayments of EUR 0.2 million towards non-current liabilities related to finance leases. Current liabilities rose from EUR 20.1 million to EUR 22.0 million, largely as a result of the EUR 1.9 million increase in trade payables reported under current liabilities.

Operating cash flows came to EUR 1.0 million in the first quarter of the 2020 fiscal year (1 January 2019 to 31 March 2019: EUR –3.8 million).

Investment totalled EUR 0.1 million, a lower figure than in the previous year. Cash flow from financing activities amounted to EUR –1.1 million (31 March 2019: EUR 0 million). This cash outflow was caused by bank loan repayments and repayments towards liabilities related to finance leases.

RESULTS OF OPERATIONS

STEMMER IMAGING generated EUR 29.2 million in revenue over the first three months of the 2020 fiscal year, a 1.8 per cent increase on the previous year's figure (1 January to 31 March 2019: EUR 28.7 million). The overall growth was characterised by the consolidation of the Infaimon Group together with stable or even increasing revenues in France, Denmark, the Netherlands and Switzerland, while weak order call-offs in the UK, Sweden and Germany led to an overall decline in revenues. Organic revenue growth was largely in line with the levels reported by the German Association of Machine and Plant Builders (VDMA) at the beginning of the year.

The gross profit margin was 36.9 per cent in the first quarter of the 2020 fiscal year, a slight decrease from 37.4 per cent in the corresponding period of the previous year. This was caused by a shift in revenue shares between different countries and their typical margins within the Group.

Personnel expenses came to EUR 6.8 million in the first three months of the 2020 fiscal year (1 January to 31 March 2019: EUR 5.4 million). As a result, the ratio of personnel expenses went up from 18.9 per cent to 23.4 per cent for STEMMER IMAGING.

Other operating expenses amounted to EUR 3.6 million (1 January to 31 March 2019: EUR 2.8 million). This increase was driven by inorganic growth and higher administrative expenses (largely related to IT infrastructure enhancements). Other factors included exchange rate related effects (EUR 0.5 million) and the first-time adoption of IFRS 9 (additional expense of EUR 0.2 million) and IFRS 16 (rental expenses reduced by EUR 0.5 million, countered by depreciation of property, plant and equipment being increased by EUR 0.5 million).

EBITDA came to EUR 1.0 million in the first quarter of the 2020 fiscal year (EBITDA margin: 3.5 per cent), a significant downturn compared to the normalised figure from the previous year of EUR 3.1 million (normalised EBITDA margin: 10.7 per cent). Parts of the effects are related to the change in accounting practices caused by the adoption of IFRS 16 (EUR 0.5 million). EBIT came to EUR –0.1 million for the first three months of the year (normalised figure for 1 January to 31 March 2019: EUR 2.7 million). The EBIT margin went down from 9.5 per cent in the previous year to –0.4 per cent. The consolidated net income of STEMMER IMAGING was EUR –0.4 million for the first quarter of the 2020 fiscal year (normalised figure for 1 January to 31 March 2019: EUR 2.0 million).

REPORT ON EXPECTED DEVELOPMENTS

The Executive Board of STEMMER IMAGING AG expects the measures being taken to stop the spread of coronavirus (SARS-CoV-2) to have a negative impact on supply chains and the core markets. STEMMER IMAGING has also taken steps to protect the health of its employees and business partners, adjust its costs and resources in light of the order situation over the short to medium term and ensure that it can continue operations. More information is available in the report on expected developments for the 2019 short fiscal year.

STEMMER IMAGING still expects revenue for the 2020 fiscal year to be within the forecast range of EUR 105 to 120 million. Profit (EBITDA) is also still expected to be between EUR 3.0 and 7.0 million.

Based on the performance of STEMMER IMAGING over the first three months of the 2020 fiscal year and the development of market conditions, the Executive Board has no reason to adjust the given forecast.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

ASSETS

in KEUR

	31/03/2020	31/03/2019
Non-current assets		
Property, plant and equipment	7,607	7,973
Goodwill	23,850	23,850
Other intangible assets	9,711	10,086
Investments accounted for using the equity method	595	600
Other investment securities	34	34
Deferred tax assets	316	293
Total non-current assets	42,113	42,836
Current assets		
Inventories	12,251	11,156
Trade receivables	17,270	16,610
Contract assets	220	180
Other financial assets	311	200
Income tax receivables	1,438	1,157
Other assets and prepaid expenses	858	823
Cash and cash equivalents	27,381	27,974
Total current assets	59,729	58,100
Total assets	101,842	100,936

EQUITY AND LIABILITIES
in KEUR

	31/03/2020	31/03/2019
Capital and reserves		
Subscribed capital	6,500	6,500
Capital reserve	47,495	47,495
Revenue reserves	13,006	13,218
Total equity	67,001	67,213
Non-current liabilities		
Non-current loans	7,006	7,508
Provisions for pensions and similar obligations	58	58
Other financial liabilities	3,282	3,527
Other liabilities	258	251
Other provisions	193	206
Deferred tax liabilities	2,007	2,084
Total non-current liabilities	12,804	13,634
Current liabilities		
Current loans	2,031	2,048
Other provisions	35	32
Trade payables	10,997	9,102
Contract liabilities and advance payments received on orders	155	482
Other financial liabilities	2,467	2,452
Liabilities to affiliated companies	94	0
Income tax liabilities	823	768
Other liabilities	5,436	5,205
Total current liabilities	22,037	20,089
Total liabilities	34,841	33,723
Total equity and liabilities	101,842	100,936

CONSOLIDATED INCOME STATEMENT

DEVELOPMENT FROM 1 JANUARY TO 31 MARCH 2020
in KEUR

	Q1 2020	Q1 2019
Revenue	29,235	28,701
Other own work capitalized	0	34
Cost of materials	-18,440	-17,993
Gross profit	10,795	10,742
Other operating income	690	154
Personnel expenses	-6,839	-5,433
Other operating expenses	-3,637	-2,802
EBITDA	1,009	2,661
Depreciation and impairment of property, plant and equipment	-736	-240
EBITA	273	2,422
Amortisation of intangible assets	-396	-124
EBIT	-124	2,298
Associates' share of profit or loss	-5	-8
Finance income	4	51
Finance costs	-90	-9
Profit before income taxes	-215	2,331
Taxes on income	-158	-722
Consolidated net income	-373	1,609
Of which:		
Shareholders of the parent company	-373	1,609
Number of shares (weighted average)	6,500,000	6,500,000
Earnings per share in EUR (diluted and basic)	-0.06	0.25

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DEVELOPMENT FROM 1 JANUARY TO 31 MARCH 2020
in KEUR

	Q1 2020	Q1 2019
Consolidated net income	-373	1,609
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Exchange rate differences during the reporting period	161	118
Other comprehensive income after income taxes	161	118
Total comprehensive income	-212	1,727
Of which:		
Shareholders of the parent company	-212	1,727

CONSOLIDATED STATEMENT OF CASH FLOWS

FROM 1 JANUARY 2020 TO 31 MARCH 2020
in KEUR

	Q1 2020	Q1 2019
Cash flow from operating activities		
Consolidated net income	-373	1,609
Income tax expense recognised in profit or loss	158	721
Finance costs/income recognised in profit or loss	85	-42
Amortisation and depreciation of intangible assets, property, plant and equipment, and investment securities	1,133	365
(Decrease)/increase in provisions	-8	-97
Other non-cash expenses/income	-11	-149
Gain/loss on the disposal of fixed assets	-2	0
(Increase)/decrease in inventories, trade receivables and other assets	-2,336	-2,586
(Increase)/decrease in liabilities and other liabilities	2,820	-3,534
Interest received	4	51
Cash flow from operating activities	1,470	-3,662
Income taxes paid	-468	-117
Net cash flow from operating activities	1,002	-3,779
Cash flow from investing activities		
Payments for intangible assets	-22	-43
Proceeds from the disposal of fixed assets	17	0
Payments for investments in property, plant and equipment	-133	-208
Payments for investments in financial assets	0	-1,387
Proceeds from financial investments as part of short-term treasury management	0	13,353
Net cash flow from investing activities	-138	11,715
Cash flow from financing activities		
Repayment of loans	-1,041	-16
Proceeds from grants received	11	0
Interest paid	-86	-10
Net cash outflow for financing activities	-1,116	-26
Net decrease/increase in cash and cash equivalents	-252	7,910
Cash and cash equivalents at the beginning of the reporting period	27,974	13,734
Changes in cash due to exchange rate movements and remeasurements	-341	74
Cash and cash equivalents as at the first half of the year	27,381	21,718
of which: cash in hand and bank balances	27,381	21,718

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM 1 JANUARY TO 31 MARCH
in KEUR

	Subscribed capital	Capital reserve	Retained earnings			Total	Total
			Reserve for actuarial gains/losses	Currency translation reserve	Miscellaneous		
As at 01/01/2020	6,500	47,495	10	-81	13,289	13,218	67,213
Consolidated net income	0	0	0	0	-373	-373	-373
Currency adjustments	0	0	0	161	0	161	161
As at 31/03/2020	6,500	47,495	10	80	12,916	13,006	67,001
As at 01/01/2019	6,500	47,495	37	-301	15,323	15,059	69,054
Consolidated net income	0	0	0	0	1,609	1,609	1,609
Currency adjustments	0	0	0	118	0	118	118
As at 31/03/2019	6,500	47,495	37	-183	16,932	16,786	70,781

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER ENDING 31 MARCH 2020

KEY CHANGES IN THE CURRENT REPORTING PERIOD

SIGNIFICANT EVENTS AND TRANSACTIONS

CTO Martin Kersting stepped down from the Executive Board on 31 March 2020 for personal reasons and has chosen to leave the company. He will continue to assist STEMMER IMAGING in an advisory capacity.

EVENTS AFTER THE END OF THE REPORTING PERIOD

The Supervisory Board of STEMMER IMAGING AG appointed Uwe Kemm to the Executive Board of the company with effect from 1 April 2020. As COO, he will be responsible for operational organisational units and the development and implementation of important corporate strategic initiatives.

FINANCIAL CALENDAR¹

<p>Monday</p> <p>22/06</p> <p>2020</p> <p>(VIRTUAL) ANNUAL GENERAL MEETING, PUCHHEIM</p>	<p>Tuesday–Thursday</p> <p>30/06–02/07</p> <p>2020</p> <p>SPRING CONFERENCE, FRANKFURT AM MAIN</p>	<p>Wednesday</p> <p>12/08</p> <p>2020</p> <p>PUBLICATION OF INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER OF 2020 AND 2020 HALF-YEARLY FINANCIAL REPORT</p>
<p>Monday–Wednesday</p> <p>21/–23/09</p> <p>2020</p> <p>BERENBERG GERMAN CORPORATE CONFERENCE, MUNICH</p>	<p>Thursday</p> <p>12/11</p> <p>2020</p> <p>PUBLICATION OF INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER OF 2020</p>	<p>Monday–Wednesday</p> <p>16/–18/11</p> <p>2020</p> <p>GERMAN EQUITY FORUM, FRANKFURT AM MAIN</p>

¹ Dates may change at short notice.

IMPRINT

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The STEMMER IMAGING AG quarterly report is available in German and English.
The German version is legally binding.